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April 18, 2007

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Ms. Cherie Kiser
Mintz, Levin, Chon, Ferris, Cohn, Ferris, Glovsky and Popeo, P.C.
701 Pennsylvania Ave., NW, Suite 900
Washington, D.C. 20004

RE: Staff's Letter of Insufficiency and First Set of Data Requests to STi Prepaid, LLC
Docket Nos. T-20517A-07-0135 and T-04045A-07-0135

Dear Ms. Kiser:

On March 2, 2007, STi Prepaid, LLC ("STi") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide telecommunications services in Arizona. The Application submitted is not sufficient. This data request lists the information Staff needs to complete its Staff Report.

For purposes of this data request set, the words "STi", "Applicant", "the Company", "you", and "your" refer to STi Prepaid, LLC, any representative, including every person and/or entity acting with, under the control of, or on behalf of STi Prepaid, LLC. **For each answer, please identify by name, title, e-mail address, telephone number and address each person providing information that forms the basis for the response provided.**

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s).

Please provide Docket Control with the information being requested within **30 days** of the date of this letter. Mail an Original plus 13 copies to Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, AZ 85007-2927. If no response is received, Staff will lack information it believes is needed to complete its Staff Report. If Staff is unable to complete its Report, Staff will note this as a substantial amendment to the filing or an extraordinary event and request an extension of time to obtain information needed to complete its Staff Report.

Arizona Corporation Commission

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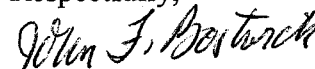
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Remember that information submitted for a CC&N will be made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. If you have any questions, please contact me at (602) 542-0856. Thank you for your prompt response to this request.

Respectfully,



/John F. Bostwick
Administrative Services Officer II
Utilities Division

Enclosure(s)

CC: Docket Control (Original and Thirteen Copies)

STAFF'S FIRST SET OF DATA REQUESTS TO
STi PREPAID, LLC
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Please make sure each numbered item and each part of the item is answered completely. If it is not, Staff will resubmit the numbered item(s) and/or part(s) of the item in a following data request. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s). In order for Staff to complete its Staff Report, the following information must be submitted:

- JFB1-1. Your Tariff indicates that you intend to offer switched access services in Arizona. You did not indicate in Item (A-1) that you intend to offer switched access service. Please revise your response to Item (A-1).
- JFB1-2. In Item (A-3) you provided many d/b/a ("Doing Business As") names. What d/b/a name is the Applicant going to do business under in Arizona? Is the name different from that listed in Item (A-2)?
- JFB1-3. In Item (A-8) you did not indicate the current owners of the Applicant as of March 2, 2007. Please indicate current owners of STi Prepaid, LLC and provide the following information:
1. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
 2. Indicate percentages of ownership of each person listed in number 1 above.
- JFB1-4. In Item (A-9) you did not reference by Tariff page number the following material in your Tariff as "Attachment B".
1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
 2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
 3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
 4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
 5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

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JFB1-5. In Item (A-12) you did indicate that there was a judgment against Samer Tawfik in 2002 in the amount approximately \$41,000. Describe in detail the judgment and Samer Tawfik's current and past relationship with the Applicant. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

JFB1-6. Please be advised that no is not an option. Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

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Yes

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No

JFB1-7. In Item (A-16) you did not submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service. Please submit copies of affidavits of publication. Please submit copies of affidavits of publication.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

JFB1-8. In Item (A-17) you indicated that the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona. You did not provide the name of the company or companies whose telecommunications services the Applicant resells.

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JFB1-9. In Item (A-18) you did not list the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona. Please list the States.

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

JFB1-10. In Item (A-19) you did not list the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in Arizona. Please list the States.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

JFB1-11. In Item (B-1) you did not indicate if the Applicant has financial statements for the two (2) most recent years. Please mark the appropriate box.

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Yes

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No

If "No," explain why and give the date on which the Applicant began operations.

JFB1-12. In Item (B-2) you did not include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

JFB1-13. In Item (B-3) your response "See Attachment D" does not "Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable".

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- JFB1-14. In A.C.C. Tariff No. 1, you indicated that you want to provide switched access services in Arizona. For each type of tariffed service, please answer the set of questions JFB1-15 through JFB1-18.
- JFB1-15. Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariffs for switched access services.
- JFB1-16. Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of tariff rates and charges charged by the incumbent and other carriers for similar services. Include supporting material and any other information that you believe demonstrates that your actual or proposed tariff rates and charges are just and reasonable.

Use a matrix format to list STi's proposed services, rates and/or charges. Based on the Applicant's tariff, list all the switched access services STi will provide in Arizona. For each of the switched access services listed, list the rate and/or charge of each service and reference each service, rate and/or charge to STi's tariff. Provide STi's tariff pages that support each STi's services, rates and/or charges.

Use a matrix format to capture STi's list of switched access services that will be provided in Arizona, show each competitor's tariff rates and/or charges for the same or comparable services and reference each service, rate and/or charge to each competitor's tariff. Provide tariff pages of each competitor that support each competitor's services, rates and/or charges offering the same or similar telecommunications services in Arizona.

At a minimum, show a complete set of tariff information of Qwest, Cox Telcom and two other competitors in Arizona. For a list of telecommunications carriers certificated in Arizona, go to www.cc.state.az.us/utility/utility. For a list of telecommunications carriers' tariff rates and charges, go to www.cc.state.az.us/utility/tariffs.

The material you provide should enable Staff to determine whether the proposed tariff rates and/or charges of the Applicant are identical or just and reasonable compared to other competitors offering the same or similar telecommunications services in Arizona.

- JFB1-17. Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

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- JFB1-18. **Use a matrix format to capture STi's list of switched access services that will be provided in Arizona.** Identify other states/jurisdictions in which your company or an affiliate company is providing or applying to provide switched access services.

For each switched access service that will be provided in Arizona, list STi's or affiliates' rates and/or charges that are or will be charged in other states or jurisdictions. Show for each state or jurisdiction the tariff rates and/or charges for the same or comparable services and reference each service, rate and/or charge to STi's or each affiliate's tariff. Provide STi's or affiliate's tariff pages that support STi's or each affiliate's services, rates and/or charges that are or will be charged in other states or jurisdiction offering the same or similar telecommunications services in Arizona.

If there is a difference between the tariff rates and charges that STi or an affiliate charges or will charge in Arizona and the tariff rates and charges that STi or affiliate charges or will charge in other states or jurisdictions for switched access services: please identify the service, indicate the amount of the difference and explain why you are charging different tariff rates and charges in Arizona.

At a minimum, show a complete set of tariff information of Arizona and three other states or jurisdiction.

The material you provide should enable Staff to determine whether the proposed tariff rates and/or charges of the Applicant are identical or just and reasonable compared to the tariff rates and charges that are or will be charged in other states or jurisdiction offering the same or similar telecommunications services in Arizona.

- JFB1-19. In A.C.C. Tariff No. 1, you indicated that you want to provide resold interexchange services in Arizona. For each type of tariffed service, please answer the set of questions JFB1-20 through JFB1-23.
- JFB1-20. Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariffs for resold interexchange services.
- JFB1-21. Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of tariff rates and charges charged by the incumbent and other carriers for similar services. Include supporting material and any other information that you believe demonstrates that your actual or proposed tariff rates and charges are just and reasonable.

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Use a matrix format to list STi's proposed services, rates and/or charges. Based on the Applicant's tariff, list all the resold interexchange services STi will provide in Arizona. For each of the resold interexchange service listed, list the rate and/or charge of each service and reference each service, rate and/or charge to STi's tariff. Provide STi's tariff pages that support each STi's services, rates and/or charges.

Use a matrix format to capture STi's list of resold interexchange services that will be provided in Arizona, show each competitor's tariff rates and/or charges for the same or comparable services and reference each service, rate and/or charge to each competitor's tariff. Provide tariff pages of each competitor that support each competitor's services, rates and/or charges offering the same or similar telecommunications services in Arizona.

At a minimum, show a complete set of tariff information of Qwest, Cox Telcom and two other competitors in Arizona. For a list of telecommunications carriers certificated in Arizona, go to www.cc.state.az.us/utility/utility. For a list of telecommunications carriers' tariff rates and charges, go to www.cc.state.az.us/utility/tariffs.

The material you provide should enable Staff to determine whether the proposed tariff rates and/or charges of the Applicant are identical or just and reasonable compared to other competitors offering the same or similar telecommunications services in Arizona.

JFB1-22. Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

JFB1-23. **Use a matrix format to capture STi's list of resold interexchange services that will be provided in Arizona.** Identify other states/jurisdictions in which your company or an affiliate company is providing or applying to provide resold interexchange services.

For each resold interexchange service that will be provided in Arizona, list STi's or affiliates' rates and/or charges that are or will be charged in other states or jurisdictions. Show for each state or jurisdiction the tariff rates and/or charges for the same or comparable services and reference each service, rate and/or charge to STi's or each affiliate's tariff. Provide STi's or affiliate's tariff pages that support STi's or each affiliate's services, rates and/or charges that are or will be charged in other states or jurisdiction offering the same or similar telecommunications services in Arizona.

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If there is a difference between the tariff rates and charges that STi or an affiliate charges or will charge in Arizona and the tariff rates and charges that STi or affiliate charges or will charge in other states or jurisdictions for resold interexchange services: please identify the service, indicate the amount of the difference and explain why you are charging different tariff rates and charges in Arizona.

At a minimum, show a complete set of tariff information of Arizona and three other states or jurisdiction.

The material you provide should enable Staff to determine whether the proposed tariff rates and/or charges of the Applicant are identical or just and reasonable compared to the tariff rates and charges that are or will be charged in other states or jurisdiction offering the same or similar telecommunications services in Arizona.

- JFB1-24. Do you intend to offer switched or special access services to other carriers or providers? If so, have you or do you intend to file an access tariff for these services?
- JFB1-25. Please confirm or deny that your company intends to provide service to both retail end-users and other carriers.
- JFB1-26. Please indicate if you are or will be providing interexchange telecommunications services to retail customers in Arizona.
- JFB1-27. Please indicate if you are or will be providing interexchange telecommunications services to wholesale customers in Arizona.
- JFB1-28. For each type of telecommunications services that you want to provide in Arizona, indicate the Tariff and Section number(s) in the tariff that address resold interexchange and switched or special access services.
- JFB1-29. Submit a PDF file of your responses to this data request to jbostwick@cc.state.az.us.